# MEMORANDUM

**To:**   House Local, Intergovernmental and Regional Affairs Committee

**From:**   Lee Schwartz
Executive Vice President for Government Relations
Michigan Association of Home Builders

**Re:**   HB 4007– Annexation charter townships

**Date:**   March 8, 2011

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*The current legislation:* HB 4007 would immunize charter townships with over 20,000 in population from annexation. The bill is essentially identical to a bill introduced in 2008 (HB 5779) at the time of the threatened annexation of the former Northville State Hospital property from Northville Township to the City of Livonia (which was turned down by the voters in the city in response to the township's political campaign) and HB 6071 introduced last session. As with other proposals over the past 10 years, this bill would prevent property owners and voters from initiating changes to municipal boundaries and further prevent the consolidation of local government and its administration and services.

The incorporation and consolidation of local government through annexation is intended by the state to centralize services and administration, to allow concentrated population where services can be provided most efficiently. For individual property owners, an end to annexation cuts them off from the expansion of public sewer and water systems, and from the denser, more intensive development of cities. Ninety-five percent of all annexations involve new home construction.

The townships at issues in this legislation – those over 20,000 in population ---
are almost all in metropolitan areas, the areas where consolidation is likely to have the greatest
effect and efficiencies.

These barriers encourage "leap-frog" development where a township may block
the areas in which the market and expected growth would direct development, forcing property
uses to more distant areas. From the standpoint of local government administration and services,
the rule blocks density sufficient to efficiently supply services, promote new urban design and
walkable communities; from the standpoint of the property owner or developer, it bars density or
intensity of use sufficient to support building infrastructure, public utilities and other public
improvements, and to drive better design.

While an individual property owner may not have a vested right in what political
subdivision a property is located, the rules prescribed by the state are intended for the good of the
state, the governance of its citizens, and the provision of governmental service, not the
satisfaction or protection of local governments that become independent actors apart from their
constituents. That fact is made clear by the application of these requirements to territory with
few or no residents or voters. The charter township petition provision for annexation can only
apply if a petition is filed by 20% of the registered electors in the area to be annexed and then
approved by a majority of them.

The justification for the amendments is the protection of township residents and
voters. Nonetheless, the provisions apply regardless of whether any voters or other residents
even live in the territory to be annexed. If there are any residents, these provisions apply even if
they support annexation. In short, the issue is treated as entirely one of territorial conflict
between the contending subdivisions, not the interests of the owners or residents of the area, the

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larger interests of the region, or the interests of the state in assuring effective and efficient local government.

Townships are not being "annexed" into oblivion. The annexation effort that prompted this bill was defeated. Over the 10-year period between 1990 and 2000 the Commission approved only 38 annexations involving a total of 3,478 acres of land. During the same 11-year period the Commission DISAPPROVED 160 annexation petitions. Over 80 percent of the petitions the Commission received were rejected. The largest annexation involved 500 acres, the smallest 3 acres. The median size of annexations over this 10 period was 50 acres. Sixty-one of Michigan's 83 counties had no annexations take place within their boundaries.